

## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Czechoslovakia	REPORT		
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	Economic Conditions in Czechoslovakia	NO. OF PAGES	6	•
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and that they wou at the mines. Si	d count toward the completion of their mild have their evenings and holidays to the neetheir ordinary service pay was only 7 and had very little free time to date, some allowed themselves to be persuade	emselves while O crowns a month forty men of	50X1
	ent as soldier-coal miners.	a to ask for	1
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bourgeois and ant policy toward tho their assignment. It seems, however positions has jus with regard to the facto relaxation	mmunist policy toward intelligent young c i-Communist backgrounds, it may be seen t se with such backgrounds is generally too to sensitive positions in spite of superi , that the great need now felt for capabl tified some relaxation of security standa e armed forces. There is ample evidence of standards has been applied in the last	hat Communist rigid to allow or qualifications. e persons in such rds although not that such a <u>de</u> year or so to ex-	
technical jobs. for sensitive pos	of doing good work in important economic It seems, however, that the political sec itions in the armed forces and in the pol arly as high as they have ever been.	urity standards	,
Communism and You	th.	·	
nasium in Most (N of Communism. An	of the 58 students in his 1952 graduating 50-32, E 13-39) only five appeared to be other 10 or 12 were opportunists who pret	convinced supporters	50X1
Communists withou were fairly openly	t actually being convinced believers. Tw	o or three students The	50X

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NTRY Czechoslovakia		DATE DISTR. 26 July 1955	5
Conditions in Czec	cal and Economic ** hoslovakia	NO. OF PAGES 5	
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no volunteers were fort	hooming, there was undo	ary units, where abtedly discrimination	50X1
against non-Communists mines.	In some militancoming, there was undoming soldiers for however, there was no nit was able to meet its	abtedly discrimination or temporary duty in o discrimination of	50X1

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were anti-Communists who were afraid to express their views and so could be classed only as passive opponents of the regime. It is political opinions of his classmates were probably fairly representative of the opinions of Czechoslovak youth in general. In the villages there were probably even fewer convinced Communists than in the towns, and that there were probably also fewer convinced Communists among the young people now than there had been when he finished gymnasium three years ago. The largest grievance of young people was their lack of freedom to choose their own careers. The pressure on students to go into agriculture and other fields to which the government is giving priority at the moment was particularly resented, as was the indirect compulsion used to recruit labor for poorpaying work in the ex-Sudeten border regions.

- 7. The Communist Youth Movement (CSM) was quite without influence on young people.

  on the students after 1950 so that everybody held membership cards in the organization. More or less compulsory membership meetings were held once a month, but otherwise the organization was inactive. In the armed forces, the work of the CSM was even less inspiring, since the compulsion for everyone to belong and on members to take part in the meetings was more acutely felt.
- 8. In military service there was naturally even more caution about displaying anti-Communist sentiments than in civil life. Never—theless not more than 20 of the approximately 120 conscripts in were convinced Communists.

  Another 30 were opportunists, and five to seven were perhaps passive or discreet anti-Communists.
  - Communist influence was very strong on children below the age of 14 and that perhaps as many as 80% of them were pro-Communist. However, as soon as the young people became old enough to have their own ideas, their Communist ideas rapidly disappeared. The pro-Communists probably were no more than 35% of the 14-tc-17 age group in the cities and 20% in the villages. In the 18-to-25 age group, there were probably still fewer convinced Communists -- perhaps 10% in the cities and five per cent in the towns.

    In the older groups the numbers of the pro-Communists declined further, so that among people over 35 years of age there were only between five and eight per cent convinced supporters of the regime in the cities and between three and four per cent in the rural areas.

the strength of the Communists among the population had declined recently.

international situation was responsible for this. The exposure of the USSR's economic difficulties and the generally conciliatory line the Communists have taken in both domestic and foreign affairs have given people the impression that the Communists are not as strong as they were. When people believe this, they become belder in expressing their grievances and in opposing Communist indoctrination and less resigned to the prospect of a near eternity of Communist rule.

no information about juvenile deliquency in Czechoslovakia. It was his general impression that the problem was not
a particularly important one. There was much talk about youngsters
who had their own odd notions about stylish clothes and jazz music -the so-called "paskove"-- did not think they were either
a serious problem for the regime or for their families. They were
mostly young workers without family responsibilities who chose to
spend what money they had in their own way. The fact that the style

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50X1 CONFIDENTIAL of their clothing was not that of the state textile monopoly did not mean that their behavior was politically anti-Communist, though indirectly it was undoubtedly a form of protest against the regime which tried to regulate everything. not aware of any significant part played by sons of the new Communist well-to-do among these more or less wayward young people. 50X1 50X1 Possible Revision of 1955 Economic Plans 12. 50X1 at the end of March 1955 that the third and fourth quarter 1955 production 50X1 and financial plans for industry in the Most area would probably be revised downward. 50X1 ductions would be made because of manpower shortages. absenteeism was a 50X1 serious problem in all factories and that there had been little change in the absentee rate in industry in the last year 50X1 13. 50X1 the changes to be expected in the plans or the enterprises reporting to the Investment Bank in Most. These were all in the heavy industry category 50X1 the same reductions in plans in the third and fourth quarters would also be made in other sectors of the economy and in other parts of the country as well --50X1 in short, that there would be across-the-board cuts instead of selective ones indicative of any policy decisions to change the existing order of priorities in the economic plans worked out at the end of 1954. 14. There were evidently still tendencies for increases in wages to outrun increases in output, in spite of the efforts of the authorities to prevent this. The bank could authorize disbursements to cover labor costs in excess of the amounts budgeted in the firms' wages funds, provided the excess in one month was less than six per cent of the plan and provided there had been no overdraft on the wages fund the previous month. A 50X1 second consecutive overdraft could not be covered by the bank without the additional approval of the central administration of the firm (hlavni sprava) A third consecutive over-50X1 draft had to be reported directly to the Minister of Finance. All cases in which labor costs exceeded the plan by more than six per cent had to be reported to the Minister of Finance at once, even if the previous months' results had been satisfactory. L5. the Construction Works of the North Bohemian Browncoal Basin was ordered investigated by officials in Prague when it was found that the Works had used unauthorized means to meet its financial plan and to pay its laborers. The firm should have had only 270 employees but actually kept about 300 on the payroll. The extra employees had been kept on because the firm had made a great deal of money over and above receipts from its planned production by selling electric motors, including spare parts, and the like to other enterprises at black market prices.

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	The investigation was still on would probably result in replacement of the firm's manager.	It	50X1
16.	no knowledge of any personal corruption on the perficials in state banks and thought it very unlikely that corruption would be possible. The controls and cross-check all transactions of the banks and the national corporations so severe that infringements of regulations could never be continued for very long. Friendly banking officials might investigations of delinquent enterprises, but could not act prevent violations of regulations from coming to light in the	such s on were delay ually	50X1
	Western Leaflet Actions		
17.	The only Western leaflet was one of the "10 leaflets	Demands "	50X1
			50X1
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	never heard of anyone being punished for possessing the	leaflets	